The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Establish in 1917

ARTICLES IN THIS ISSUE

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Sino-Japanese Crisis as Reflected in the Japanese Newspapers

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Contents

Editorial Paragraphs

U.S. Neither Decadent Nor Placed in Diplomatic "Co'd Storage" 435
Shanghai Sees It Through 436
Is Japan Provoking an Eastern War? 436
Sino-Japanese Crisis as Reflected in the Japanese Newspapers 437

Special Articles

North China Front Looms Largest in Present Sino-Japanese War.....By a Correspondent 438
Another Air Bomb Crashes in Shanghai—Hundreds Killed and Wounded 442
Japanese Tr ops Land Near Shanghai—Eighty Men Lost at First Attempt 443
Japan's Adverse Trade Balance Reaches Yen 777,000,000 444
New Books of Interest in the Far East 448
China Unconquerable, Says Madame Sun Yat-sen 449

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U.S. NEITHER DECADENT NOR PLACED IN DIPLOMATIC "COLD STORAGE"

IT has been charged that Americans have become decadent and that the United States has been placed in "cold storage" diplomatically as a result of the activities of its pacifists. The result has been anything but favorable for Americans and their interests in the Far East since the beginning of the present crisis. It is not entirely incorrect to say that Americans are held more or less in contempt by both sides, thus creating potential dangers for U.S. citizens and their interests. However, the courageous action of Admiral Harry E. Yarnell in moving the flagship "Augusta" to the harbor fronting the Settlement helped considerably in reassuring not only the Chinese, but also the local foreign community.

Space is not available here for a further discussion of the reasons behind the present American neutrality program. They go back to and before the World War and are part and parcel of long extended American effort to bring peace to a crazy world. However, for those who would seek a real understanding of the last United States neutrality law or peace effort we would recommend persual of an article on the subject by Senator Henry Cabot Lodge, Jr., who is the son of the famous ex-Chairman of the Foreign Relations Committee, who exercised fundamental influence on American foreign policy during and following the World War and at the Washington Conference. The article appeared in the *Saturday Evening Post* for May 1.

Young Lodge showed how those honestly interested in preventing the United States from becoming involved in war were responsible for legislation which may have a quite opposite effect.

To go back to the fundamental causes behind the present American attitude would involve not only a review of what happened during and following the World War and at the Washington Arms Conference, but would involve a psychological discussion of the more fundamental instincts of human character involved in the question of

why men fight. After all, the deciding element which made the United States enter the World War was the feeling on the part of the Americans that the Central Powers represented a system so alien to our civilization that we could not afford to submit to it nor to a world dictated by it. Despite neutrality laws and other well-intentioned efforts, the same fundamental elements will ultimately bring the United States into the struggle in the Orient.

SHANGHAI SEES IT THROUGH

A TRIBUTE is due to the entire population of Shanghai, of all nationalities, especially Chinese, for the fortitude displayed under conditions more terrible and more terrifying than those which existed in all but a few cities caught in the vortex of the World War. The manner in which *all* nationalities cooperated (all, except the Japanese, of course, against whom the feeling among the Chinese population is so intense that it would be at the risk of his or her life that any Nipponese appeared south of Soochow Creek) is worthy of the greatest commendation. Whatever differences of political opinion there may be as between Americans, French and British on one side or Italians and Germans and others on the other side, here in Shanghai they all cooperated in rendering efficient services in the interests of the general public in a manner which should serve as an example to the rest of the world. To take one example, the German authorities issued notices in both the German and English languages informing their nationals who were willing to do volunteer work in cooperation with the Foreign Municipality of the address to which they were to report for duty. Not only the spirit of the workers, both volunteer and paid, was commendable, but the efficiency with which operations were carried out was really astonshing. It is doubtful whether any city in the world, no matter in what country, could have made such a creditable showing. There is and was no telling at what moment another catastrophe might descend on this unhappy city. But when the catastrophes occurred, whether on the Bund at the Great World, or at Sincere's, those who were on duty attended to their grim tasks promptly, efficiently, determinedly and, to cap it all, calmly. The sights to be witnessed in all three of these places were terrible beyond description. The mangled dead were lying in heaps among the mangled living. Amidst the groans of the dying, the police, the Volunteers, the firemen, Boy Scouts, the Red Cross, the hospital services, and other services, calmly performed the duties that were required, according to the needs of the occasion.

Nanking Road is the main business artery in Shanghai, and the most recent catastrophe occurred at the main cross street, where there is huge traffic. Buses and street cars were stopped by the heaps of dead, the destruction of the wires, and the debris from the buildings. The Indian policeman on point duty in the crow's nest in the traffic tower was killed on the spot, as was the Indian policeman on duty in the traffic tower in the previous Great World affair. But within a few hours after the disaster all the dead and mutilated had been removed, the blood had been washed from the streets, the debris had been carted away, and traffic was resumed. All that remained to indicate that at this particular spot another grim tragedy had been enacted were two battered buildings with broken windows and a damaged traffic tower.

Is Japan Provoking an Eastern War?

(Christian Century, July 21)

THE CLASH between Japanese and Chinese troops in the vicinity of Peiping, coming so swiftly after the clash between Japanese and Russians at the Amur river, gives rise to dark forebodings. Is the Japanese military group determined to precipitate war with China without further delay? Was the Amur incident a device by which the Tokyo general staff sought to test the likelihood of Russian intervention in the event of a general Japanese invasion of eastern China? Has the state of affairs in Europe become such that the Japanese army leaders are convinced that they can go as far as they like on the Asiatic mainland without danger if interference from nations deeply engaged elsewhere? These and similar questions are immediately roused by the fighting around China's former capital. The incident which provoked the outbreak is shrouded in almost as much mystery as the incident which brought on the Japanese capture of Mukden six years ago. Apparently, Chinese sentries at a bridge refused to allow passage to a Japanese column engages in night maneuvers. Within two or three days, however, the tension which resulted from this initial minor fracas had been developed by the Japanese army authorities into a formidable set of stiff "demands," including the familiar one about suppressing all anti-Japanese and "communist" elements in China. Backing up these demands, large army reinforcements were being rushed into north China from Japan and Manchukuo, which in Japan itself the nation's economic and industrial life was being swung onto a wartime basis by a series of emergency decrees which seemed to take for granted that a major war was already under way. At the moment of going to press we can only cling to the hope that an eleventh hour escape from this impending catastrophe may be devised. When it comes to slipping out of impending disasters the Chinese are the world's champions, so it is possible to hold this hope with more tenacity than might be the case if some other nations were involved. But it would be folly to close one's eyes to the imminent possibility of a major war in the Far East.

Shanghai Post Office Stops Insured and Parcel Business

In view of the present situation in Shanghai, provisional arrangements have been made by the local Post Office for maintaining the postal business.

The Chinese Post Office in Shanghai announced Aug. 19 that until further notice, mails which may be accepted are limited to ordinary, registered and express letters, postcards and newspapers. The acceptance of insured letters, c.o.d. articles and heavy mails such as parcels, light and bulky printed matter, etc., has been temporarily discontinued.

Sino-Japanese Crisis as Reflected in the Japanese Newspapers

ACCORDING to an article in the *Nichi Nichi Shimbun*, August 7, the impression prevails in Tokyo that the Russians are behind the agitation for creating a neutral zone at Shanghai. An editorial in the *Nichi Nichi* said that while Japan had been pursuing a policy of "non-expansion" of the North China incident, in every way possible the Communist International was taking advantage of the situation to aggravate conditions through extension of their support and assistance to the Chinese Communist Party. It was alleged that Wang Ming-yuan, representative of the Chinese Communist Party at Moscow, had returned to China, and that other well-known Chinese Communists, such as Chow En-lai, had visited General Chiang Kai-shek and had reported to him the attitude of the Soviet Union regarding the situation. It was alleged that the Communist leaders had made numerous proposals:

1. That Russia would assist and support China through the Chinese Communist Party and would permit all Chinese Communists now in Russia to return to China.
2. The Chinese Communist Army would be organized into a volunteer corps for use in Suiyuan and North Chahar and East Hopei in order to menace the flank of the Japanese Army.
3. The Chinese Communist Party in cooperation with the Russians would mobilize Japanese, Russian, Manchurian and Korean Communists for service against Japan in Manchukuo and Korea and Japan proper.

The report concluded with the statement that while Japan was coping with the perplexing problem of China, the Communists were trying to take advantage of the situation to create disturbances on all fronts, including the stirring up of riots in Japanese spinning mills in Shanghai. The report concluded, "For the last dozen or so days the Soviets have avowed neutrality on the surface, but have actually pursued anti-Japanese activities everywhere in order to aggravate the North China situation. In addition it is known that the Soviet Government has been behind the "Shanghai neutrality" proposals of Great Britain and the United States which amount to intervention in the present affair against the Japanese."

⁂

The newspaper, *Chugai*, in a strong editorial on August 6 inquired, "Is there no room for diplomatic negotiations with China?" Answering its own question the newspaper said that Japan's efforts to force China to join the German - Japanese Anti - Comintern Pact and eliminate Communism from the Orient "might be a great ideal, no doubt, but considering the situation realistically, the methods were entirely too round about." The paper, therefore, inquired whether there did not exist room for diplomatic negotiations that would ease the present pressing situation. Concluding the editorial said that the situation was not necessarily hopeless, and that it was always possible for diplomats to find room for talk under any conditions, regardless of how serious.

Ambassador Kawagoe came in for further servere criticism in this paper. Referring to Kawagoe's presence in Tientsin when he should have been at his post in Nanking, the editorial writer in the *Chugai* said, "At any rate his absence from his post at the present important juncture reflects little credit on him. Of course, it is difficult to say whether his constant presence at his post would have resulted in any improvement in the situation. It is more likely that no good results would have been reaped by his efforts in the present mood of the Nanking authorities, but this consideration cannot exonerate him from the charge of negligence. Supposing that the Ambassador goes to Nanking direct, it will presumably bring no good results because Chinese opinion is now overwhelmingly in favor of war. It is not creditable to Japanese diplomacy that things have been allowed to come to the present pass."

The *Chugai* also referred to discussions in the Diet and called attention to Foreign Minister Koki Hirota's statement that anti-Japanism in China is due to the machinations of the "Popular Front" elements, including communists. The *Chugai* thought that Hirota was right in his diagnosis, declaring that "while it cannot be denied that the Nanking Government exploited anti-Japanism for the purpose of accelarating its unification program, it was impossible to ignore the very important part played by communists in fostering anti-Japanism among the Chinese people. The North China affair may be put in its true perspective when it is viewed as one for which China and the Comintern are jointly responsible. The paper said it was ready to support Hirota's Three Point program and had no quarrel with the Foreign Minister regarding his statement in the Diet that he was still holding to the policy of regional settlement and non-aggravation, but it was obviously very difficult for him to improve the situation in pursuit of this policy. It was all very well for the Foreign Minister to declare that the best way to establish Far Eastern peace was to clear Asia of communism by bringing China into the Japan-German-anti-Comintern agree-

ment, but his ideal stands no chance of realization in the present situation. In spite of his (Hirota's) fine professions, Sino-Japanese relations are fast approching a real crisis. But it may be wrong to say that there is now absolutely no hope left for diplomatic negotiations.

***

The *Miyoka* regarded it as significant that Foreign Minister Hirota was seeking to adjust Sino-Japanese relations on the basis of joint defense against communism by bringing China into the Japanese-German agreement. It was wondered how this Ministerial statement would be received in Nanking. In negotiations in the past, Nanking had indicated that though China had no intention of joining the Japan-German agreement, China would pursue her own course of defense against Communism. If the Chinese authorities recognized the necessity of defending their country against the communists, there was then no reason why they could not join the Japan-German agreement. As Hirota had now made his China policy clear and if China still refused to lend an ear to Hirota's exhortations and ventures on a hazardous course of fighting Japan, China would have to take the serious consequences of this policy into consideration. Victorious Japan would impose exacting penal conditions on vanquished China, for the victor has the "right" to do this and it is for the vanquished to abide by these conditions. It was hoped that Nanking would quickly realize the situation and change its present policy into that of sincere co-operation with Japan.

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The report of the proceedings in the Diet published in the *Japan Chronicle* on August 7 referred extensively to the new taxes which it was necessary to impose in Japan in order to finance the North China adventure. When asked by one of the members of the Minseito party whether the tax increase scheme might be "long drawn out," the Vice-Minister of Finance Ishiwatari replied that in view of the heavy expenditures he regarded it as advisable to raise part of the money (Y.100,000,000) by increased taxes while the remainder (Y.400,000,000) would be raised by a bond issue. At this point a member of the Shakai Taishuto faction named Mitsu Kono expressed the view that "as the North China problem involved the question of economic reconstruction in that area in the future, it was more than likely that the new taxes were doomed to take on a permanent character." He suggested that it probably would be better if the Diet made the new taxes permanent.

North China Front Looms Largest in Present Sino-Japanese War

BY A CORRESPONDENT

WHERE is the main front in the present undeclared war between China and Japan? Where are the Japanese going to strike—at the Shanghai "front" or at the Peiping—Tientsin "front"? Or, at both together?

These questions occur to every one reading newspapers, and, judging from a number of factors, there is reason to believe that, as in the Shanghai warfare of 1932, the present operations of the Japanese forces in and around Shanghai appear to have the character of a demonstration calculated to distract the attention of the Chinese high command from the drama to be enacted very soon in the Peiping-Tientsin district.

A few persons seemed to know the real purpose of the Japanese high command when it staged the Shanghai conflict of 1932. Many believe that the Japanese then aimed at the suppression of the anti-Japanese boycott through forcing Nanking to sign a treaty or some sort of an arrangement to that effect, or that the conflict broke out unexpectedly for both sides as a result of an unpremeditated clash in Chapei. However, it seems to be now the general opinion amongst observers and which was then clearly apparent to this correspondent that the Shanghai Incident of 1932 had a well laid out purpose of its own—to distract the attention of the Chinese official and public circles and the world at large from the "state" building activities then (in February, 1932) in full swing at Mukden. Once the "puppet state" was safely born, the conflict was called off.

And it should be admitted that the military purpose of the "incident"—to distract the attention of the Chinese and the world at large from the drama being then enacted in the doomed North-Eastern Provinces—was attained to the fullest satisfaction of its perpetrators.

The latest news reports from the north seem to substantiate the view that, in the opinion of the Japanese high command, that is, the General Staff which is just the same, despite all the warfare in the Shanghai-Nanking area gives more weight to the situation in North China than to the south of the Yangtze. A *Reuter's* message from Tientsin dated August 18 stated that as many as 16 transports had arrived at Taku from Japan and were landing troops, using about 100 motor launches specially brought with the transports. This means a considerable addition to the Japanese troops already in the field in the Tientsin-Peiping district.

When speaking of the number of troops in any given area it should always be borne in mind that the observers, even with troops in the field, have very little to substantiate any given statement, and therefore all the additions to the number of troops on the front or in the rear should be taken with considerable reserve. And both sides strive hard in order not to let the actual strength of forces operating in the field or the number of casualties sustained be known.

A Wedge Between Central China and Chahar.

Under these conditions, it is impossible to gauge the actual strength of both the contending armies in the Tientsin-Peiping area, but there is every reason to believe that they are great, far greater than those now engaged in and around Shanghai. The continuous

onslaughts of Japanese troops on Nankow Pass during the last two weeks have sufficiently substantiated the view that the real Japanese aim is directed towards Kalgan, Suiyuan and that operations on other "fronts"—along the Peiping-Hankow and the Tientsin-Pukow railways and in the Shanghai area—have minor importance, being subordinated to the operations now going on along the Peiping-Suiyuan Railway. What the Japanese wish to attain by driving towards Kalgan, throwing a wedge between Central China and Chahar and a goodly portion of Hopei Province, constitutes another question and cannot be discussed here.

The passive attitude of Japanese forces in the direction of the two railway termini—Hankow and Pukow—during these two weeks of continuous warfare in that sector has sufficiently shown that the real Japanese objective lies not there; otherwise, they would have continued their singular success in the Tientsin-Peiping district and attempted to drive the Chinese forces,—those of the defeated 29th army and the central troops,—southward, beyond the frontiers of Hopei. It is a well known axiom in tactics that every successful issue of battle should be "crowned" by a final victory, which usually comes when the enemy forces are scattered and running pell-mell. In recent operations near Peiping and Tientsin, the Japanese saw the Chinese troops retreating in three directions, along the three principal railways. In the absence of a sufficiently big army, they had, perforce, to choose the direction the most suited for "crowning" the victory and they saw it to be along the Peiping-Suiyuan Railway.

Having once chosen the direction, the Japanese lost no time (in war, that party is a loser who does not take every chance to beat the enemy) to pursue the Chinese troops right up to Nankow Pass, on the Peiping-Suiyuan Railway. They thought that it would be comparatively easy to take the mountain range by a single onrush, "on the shoulders of a retreating enemy," so to speak, but subsequent events have clearly shown that their forces were too weak to attain the objective, and hence the operations near Nankow have taken a prolonged course.

Defensive Attitude of Japanese on Peiping-Hankow Front.

In contrast to the operations on the Peiping-Suiyuan Railway, where they have in the past two weeks been decidedly on the offensive, the Japanese have taken a defensive attitsde on the Peiping-Hankow and Tientsin-Pukow "fronts," leaving here only a skeleton army to guard against Chinese attacks on communications between Peiping and the seacoast.

As has been expected, the Japanese command has turned out to be daring, creative and capable of momentous decisions. In the past two weeks, they have depleted the Peiping-Tientsin sector of considerable forces, utterly disregarding the possibility of a general attack of the Chinese army towards the Peiping-Tintsin railway and concentrating their efforts exclusively on taking Nankow Pass, a place of the utmost strategic importance, because the force in occupation of that pass and the whole range of the Western Hills is able to threaten the whole Peiping-Tientsin area.

In the absence of any reliable information from various fronts on military operations, even in the form of regular news reports, it is very difficult—almost impossible—to gauge the situation in its true light. In regard to the operations of the Chinese troops in the last two weeks, especially during the last half of the period, it is correct to assume that they haye on the whole acted admirably well, especially those defending the Nankow Pass and its vicinity, so that the tactical task of the Japanese troops operating in this area has so far been successfully frustrated. It should be noted here that the reported taking by the Japanese of the township of Nankow does not mean the occupation of the entire pass, which lies farther to the west, being about twelve kilometres in length.

Why Did Chinene Forces Fail to Counter-attack?

However, it seems that, under the given conditions, the Chinese forces could have attained a bigger success, almost disastrous for the Japanese, and the opportunity for which—it seems— has definitely passed—they could have attempted to strike on a line of Japanese communications, choosing any direction between Peiping and the sea, and thus bottling up the Japanese troops in the Peiping-Tientsin area.

But they did not strike and, in consequence, lost the opportunity which in war does not often present itself. Why have the Japanese been allowed to attack Chinese defence lines on the Western Hills unmolested?

Several answers come to mind when contemplating these questions:—

(1) That the Chinese forces were not sufficiently well disposed as to undertake a momentous operation in the said direction;

(2) That the Chinese high command thought the operation too dangerous in view of the possibility of a flanking attack from the enemy forces having landed at a place to the south of Taku, say, near Tsikou, the possibility always present and to be guarded against in the future;

(3) That the Chinese high command was still hoping for a peaceful solution of the conflict and was therefore hesitant to aggravate it by a momentous strike, the outcome of which was more or less problematical;

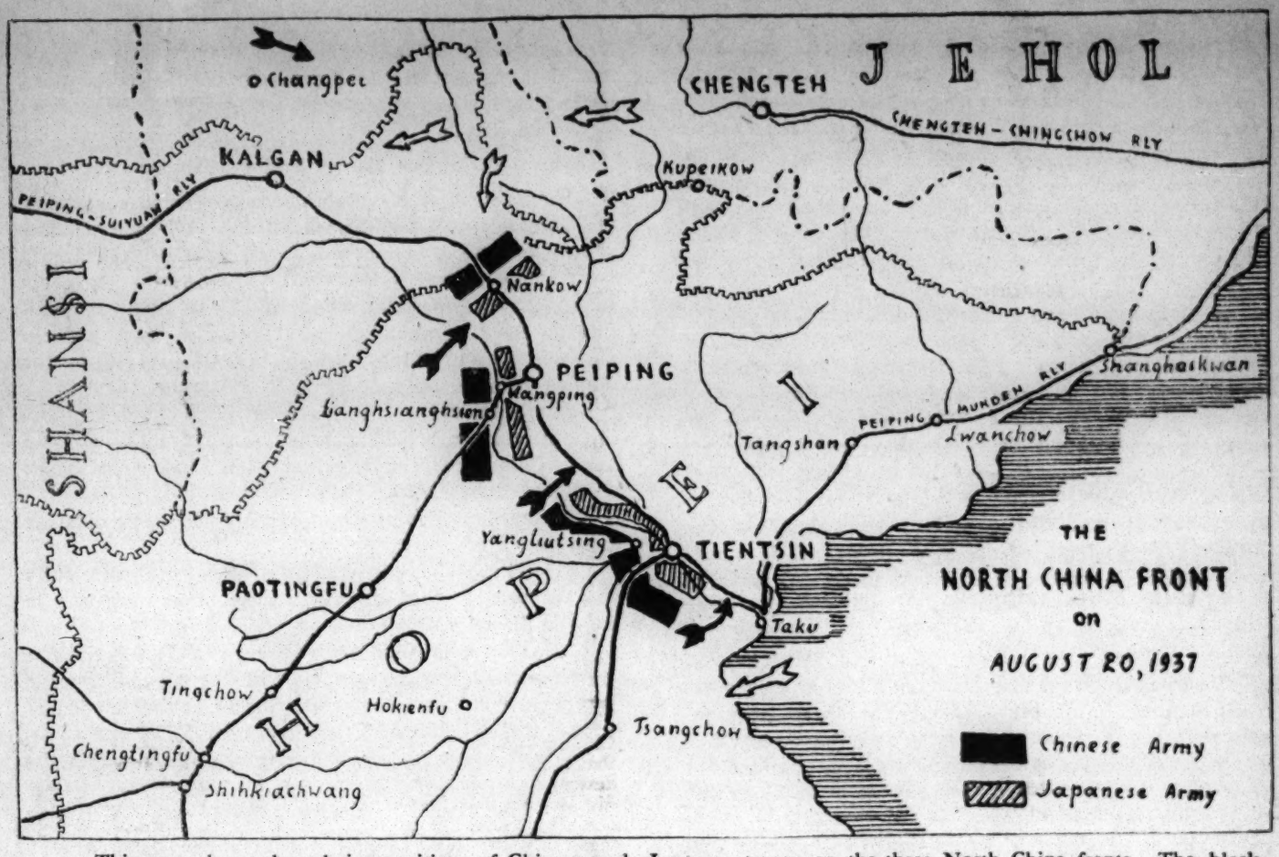
(4) That the Chinese high command was incapable of adopting a momentous decision upon which might have depended a successful issue of a series of operations on the North China front.

It is difficult to hazard an opinion as to which of these possibilities have actuated the inactivity of the Chinese forces on the Peiping-Tientsin front whilst the enemy was fully active on the Peiping-Suiyuan front. To say that the Chinese forces were not ready to take the offensive seems to be incorrect because they have successfully repulsed the half-hearted Japanese attacks near Paotingfu as well as along the Tientsin-Pukow Railway, so that, if necessary, they could have taken a more active part in the struggle. Discarding this supposition, it is reasonable to believe that a chance to cut off Japanese communications was lost because of other motives, as aforesaid, i.e. the fear of a flanking attack in the rear, or apprehension that the daring operation would precipitate a major war not wanted by Nanking at this particnlar moment, or disagreement of views amongst the Chinese generals.

At the moment, it is impossible to say whether we have a minor ("local") or major war. That it was not the intention of the Japanese to spread the North China war further to the south seems to be apparent, which may partially be assumed from the wholesale withdrawal of Japanese from the Yangtze valley, an action never tried in previous Sino-Japanese conflicts.

Purpose of Japanese Operations Around Shanghai Uncertain.

The purpose of the present Japanese operation in and around Shanghai still appears uncertain, if not to mention active defensive measures on the part of the Landing Party, active because it has proved to be alert as to make casual onslaughts or counter-attacks when the situation warranted their so doing. Such uncertainty will not last long and it will very soon be seen whether the Japanese high command wishes to create here a real



This map shows the relative positions of Chinese and Japanese troops on the three North China fronts. The black arrows indicate the possible direction of the impending Chinese attacks on Japanese positions, while the white arrows show the possible direction of Japanese flanking movements. The Japanese will try to cut off the motor-car road leading from Kalgan to Outer Mongolia via Changpei with a view to blocking any communication between China and Soviet Russia.

front with specific strategic tasks of its own, or to localize it in order to concentrate its whole might on the North China fronts (so far, there are two fronts—one facing towards Kalgan and the other towards the Yellow River, along the two principal railways, but both of which are bound to connect with each other forming one big front extending from the Gulf of Chihli towards Outer Mongolian frontiers).

Since the war plan of the Island Empire cannot be otherwise built than on the theory of a "quick decision," it is reasonable to believe that the Japanese high command will take swift action and within the next few days, aimed, most probably, at the occupation of the whole Shanghai area in order to destroy Shanghai as the commercial and industrial centre of China. Occupation of this most important area would therefore result in the separation of the interior of the country from this commercial, financial and industrial metropolis, and the attraction of considerable Chinese forces from the main front which is still in North China and will, judging by the logic of the situation, continue to be there.

From the very beginning of the present conflict, July 7 at Liukochiao, the Japanese high command maintains "the freedom of action" to which it will cling dearly the whole length of the campaign. Only the future will show whether the theory of a "quick decision," steadfastly adhered to by the Japanese command in all wars, no matter whether with China, Russia or any other enemy, will hold good. If and when the Chinese army succeeds in maintaining its fighting strength, without the usual demoralization, of which there were sufficient cases in the past, for a number of months, as to disprove the validity of a theory of "quick decision," then Japan will have sapped her srength in a minor war with China, greatly reducing her striking power in war with the U.S.S.R., which is, after all, the principal aim of the present day military leaders of Japan.

Shanghai, August 21, 1937.

Impossible to Fix Blame for Shell Which Fell on U. S. Cruiser "Augusta"

A shell crashed into the U.S.S. *Augusta*, Flagship of the U.S. Asiatic Fleet Aug. 20 6.40 p.m. killing Second Class Seaman Frederick J. Folgout, of Louisiana, and injuring eighteen other members of the crew.

The U.S.S. *Augusta* remained at her moorings directly in front of the British Naval Buoys and off the Foochow Road jetty, and continued to be brightly illuminated throughout the night.

An investigation conducted by Admiral H. E. Yarnell, Commander of the American Asiatic Fleet, revealed that the shell was one inch in diameter. It was, however, impossible to tell whether it was fired by Chinese or Japanese, and no protest was made to other side.

The explosion of an anti-aircraft shell aboard the United States flagship *Augusta*, in Shanghai, hit the headlines in all the newspapers in the United States.

At a press conference Cordell Hull, Secretary of State, described the shelling of the *Augusta* as an "unfortunate incident."

He added that the United States was continuing her attitude that Americans in Shanghai must be protected while they remain there, but that they were being urged to evacuate the city to "the fullest possible extent."

1,200 Marines from San Diego Due Here Sept. 21

The U. S. transport *Chaumont* and the cruiser *Marblehead* are sailing for Shanghai from San Diego on Aug. 29 conveying 1,200 Marines. The detachment is expected to reach Shanghai on September 21.

Refugees Flee from Pootung to Shanghai

Thousands of refugees from Pootung crossed the Whangpoo Aug. 19 to seek safety in the Settlement. Japanese naval bombardments and aerial bombings made Pootung a charnel house.

Those Who Flee Danger Likewise Run Great Risks

THOSE intrepid "die hards" who have decided to brave the dangers of bombs, shrapnel and desperate mobs in Shanghai, on receiving the news that an earthquake rocked Manila Aug. 20 just as the first batch of refugees arrived from Shanghai (some of whom were so badly scared that they fainted), together with the fact that there is a cholera epidemic in Hongkong, must have experienced a certain amount of cynicism. The cynically-minded will also have reflected on the fact that as a result of the first bombing attempts on the Japanese cruiser *Idzumo* the guests at the Astor House, which is situated only a few hundred yards away, evacuated that hotel pell mell, quite a few of them moving to the Cathay Hotel and others to the Palace Hotel, where about 500 persons were killed and many more injured later on the same day. Another ironical fact is that nearly all the Chinese who were killed as the result of the bombs inadvertently dropped at the Great World and in Nanking Road were refugees who had fled here for safety from the northern and eastern areas.

It may be stated also for the benefit of people in America who have friends or relatives in Shanghai that it is reported by persons who delight in statistics that the percentage of danger in Shanghai, over say a month, is little if any greater in proportion to population, despite the war situation, than is the danger over a similar period in the United States with its automobile accidents, hold-ups, industrial accidents, particularly recently during the times of the strikes, not to mention tornadoes, floods, fires, and other forces which contribute to a relatively high accidental death rate in the United States.

Another of the incongruous features of the Shanghai situation is the fact that on the same morning that the Shanghai newspapers printed extracts from editorials in the *London Times* thundering away that the Japanese Government would have to pay for any damages caused to the Broadway Mansions by reason of the fact that the Japanese had occupied part of the building, they also printed a statement from the manager of the Mansions stating that it was not true that the Japanese military had occupied the premises or that it housed Japanese refugees. A similar denial was made some days previously by the management of the Astor House when a Japanese news agency reported that arrangements had been made for accommodation for several hundred Japanese at the Astor House.

In the case of the Astor House, we are informed that Japanese guests are actually occupying the premises, or did at the time this was written.

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NIGHT after night the Shanghai sky has been lit up with the glare of conflagrations caused by one or the other of the combatants. At the rate at which things were going it would not have been long before every important industrial establishment in this area, no matter of what nationality, would have been annihilated. The various Governments concerned, with the British in the lead, have informed both combatants that they will be held strictly responsible for damages caused, but it is becoming increasingly evident that, unless this destruction is stopped, neither of the combatants will be in a position to pay for the damages caused, any more than Gemany was for damages caused during the World War. There is little likelihood that the owners of destroyed properties will ever be compensated.

The Shanghai French Concession at Night

A quiet ramble by a staff member of *The Review* through the outskirts of the French Concession early Sunday night revealed a scene of tranquility which reminded one of the phrase, "God is in the heavens, and all is well with the world." The moon was full, the streets were lined with crowds of care free Chinese, chatting, eating and playing musical instruments. There were no disorders of any kind. Enquiries, in Chinese, from Chinese bystanders always elicited courteous replies. The most of the Police had been withdrawn for defense duty on the boundaries, and one could stroll in certain sections for as much as a dozen blocks without meeting a single guardian of the law. At the boundary near the Siccawei Church, for example, there was a small opening in the barriers. French, Chinese and Annamite Volunteers or paid police manned the block-house. The Chinese in French Police employ and the members of the Chinese Peace Preservation Corps engaged at times in friendly conversation. Through the opening in the barrier Chinese peasants were bringing in vegetables of various kinds and stacking them on the sidwalks inside the barrier, whence they were distributed throughout the Concession at dawn on the following morning. Strangely enough there was one usual product entirely absent, namely hens' eggs.

No scene could have been more peaceful. But the lighted heavens to the north and the boom of bombs showed that the war was raging near at hand.

Shanghai Fire Brigade Refuses to Help Japanese to Fight Fires

One of the features of the operations in Shanghai is that the Japanese have been getting a taste of their own medicine of destruction which they have carried out so ruthlessly in various parts of China ever since the occupation of Mukden, the difference being that in this instance a great deal of the property that is now being destroyed is Japanese. Japanese cotton mills in the Shanghai, district were especially hard hit. To cope with the numerous fires that were started in the Northern and Eastern districts during the night of August 20 the Japanese Naval authorities put through a call to the Shanghai Fire Brigade for assistance in fighting the flames. In line with the policy adopted by the Foreign Municipality right from the beginning of this "war," namely one of non-cooperation and not doing anything that might even in appearance associate the Foreign Municipal authorities of Shanghai with the Japanese operations—refused to send the Brigade across the Creek. To facilitate the Japanese in their arduous task, however, the Brigade sent the Japanese a truck-load of hose. During the day the Japanese were so busy fighting fires that they had little time left to fight the Chinese.

Seven Thousand Non-Japanese Foreign Residents Evacuated from Shanghai

In all some 7000 non-Japanese foreign residents have been evacuated from Shanghai up to this week because of the outbreak of the current Shanghai Sino-Japanese difficulties, and the exodus is continuing. Five hundred Germans left on the *Gneisenau* on August 24, and on the same day more than a hundred Americans sailed down the Whangpoo on a tender for the *President Pierce* which headed for Hongkong and Manila. The *Empress of Canada* took on a large group of many nationalities on Wednesday for Hongkong, since most of the British residents who wished to leave Shanghai had gone on previous boats. Other sailings of American boats include the *President Lincoln*, leaving Saturday for Hongkong and Manila, the *President McKinley*, leaving Monday for Seattle and Vancouver and providing the first chance for Americans to return to the States since the incident in Shanghai became hot, and on Tuesday the *President Hoover* for San Francisco and way ports.

Shanghai Is Assured a Sufficiency of Meat

The fresh meat situation of the Settlement is entirely satisfactory, according to an official announcement made this week. Adequate supplies of pigs are arriving via the Soochow Creek and are being killed in the Western District and French Concession. The stocks of beef and mutton are sufficient for a month and, finally, provision is being made for a further supply of cattle arriving in case of necessity later on. The cold storage situation is also being closely watched. With regard to milk supplies, all dairies have a surplus.

Berlin Political Circles Sympathize with Japan

A *Havas* message from Berlin Aug. 24 stated that political circles there now openly express their sympathy with Japan in contrast to their previous attitude of strict neutrality in the Sino-Japanese conflict. Japan's action, they state, is essentially directed against bolshevism.

Another Air Bomb Crashes in Shanghai—Hundreds Killed and Wounded

SHANGHAI on Aug. 23 about 1 p.m. was visited by another tragedy, recalling the similar disasters of Aug. 14. Projectiles fell at the corner of Nanking and Chekiang Roads, involving the two great department stores, Wing On and Sinceres. It has not been definitely established whether the missiles were bombs or shells, and where they were fired. Death resulted on an appalling scale. The indications are that one missile struck the second floor verandah of Sincere's between the first and second bays. On the Wing On side of Nanking Road windows were blown in and bodies of the dead were found on both the first and second floors. The blast claimed the lives of 175 people, including two foreigners and resulted in injuries to 475 persons.

In a systematic manner, the policemen threw a cordon at Fukien Road on the east and Wing On Road on the west. Traffic, both vehicular and pedestrian, was stopped in order to facilitate the rescue work efficiently carried out by firemen, policemen, S.V.C. members, and members of Red Cross organizations.

Several minutes before the projectile exploded at 1.05 p.m., an aerial bomb weighing about 500 pounds crashed through three floors and landed in the warehouse of the Shanghai Stevedoring Company 20 Szechuen Road in which the U.S. Navy warehouse is located. This missile did not explode and caused no casualty.

The two foreigners killed in the explosion are: Alfred U. Brunner, 32-year-old native of Basle, Switzerland; Claus Eckert, 16-year-old German boy.

The four foreigners who were injured are: Anthony J. Billingham, Shanghai correspondent of the New York *Times* who was critically wounded with three punctures in the chest and a badly smashed left arm; (Mr. Billingham is an assistant to Hallet Abend, chief *Times* correspondent. Mr. Abend was waiting near Wing On's while Mr. Billingham entered the store to buy field glasses); Maurice Zimmerman, Russian Jew, who received slight injuries; Miss Blanche Tenney, 20-year-old Shanghai-born American girl; Miss Valeria Glasser, 21-year-old Polish girl.

The blast took a heavy toll among Chinese and Sikh policemen who were on duty at the street corner. A check showed that one Sikh and two Chinese constables were dead and 11 policemen, including one Sikh, were injured.

Most of the wounded were taken to the Lester Chinese Hospital on Shantung Road, where all available doctors and nurses immediately got busy to save lives and limbs for the victims who kept on streaming in by ambulances, trucks and ricshas.

The restaurant part of the Sincere Company on the second floor bore the brunt of the shell. One of the sub-managers of the company, was among those seriously wounded.

Central News stated that it had definitely ascertained from responsible Chinese quarters that at the time of the disastrous explosion there were no Chinese airplanes flying over the International Settlement or anywhere near the scene of the tragedy whereas Japanese aircraft, it was openly admitted in Japanese circles, were then carrying out a bombardment of Chinese positions in Pootung.

NIGHT VIEW OF THE GREAT CONFLAGRATION

Photograph—time exposure—taken at night showing the vast fires which destroyed a considerble portion of Shanghai's industrial districts in Hongkew and Yangtszepoo and Pootung. Property damage has been estimated from $25,000,000 to $35,000,000 in U. S. dollars.

Indications Are That Szechuen Road Bomb Was Japanese

Regarding the bomb which crashed through the U.S. Navy warehouse in Szechuen road, *Central News* reported that it had cracked, but through a twist of chance on one of the fragments there remained intact two lines painted in yellow below which are two English letters "S" followed by a trade-mark-like sign. The sign, it was stated, resembles the Chinese character "ping" meaning "level" or "even," but it is distorted in such a way as to appear symmetrical as alway's the case with Japanese characters that are used as trade-marks. Next to this unmistakably Japanese rendering of the Chinese character was the English letter "N." Of the next letter there remained only part of a hollow sphere, which together with the "N" preceeding has been believed to spell the word "No," meaning "Number." Of particular significance in Chinese eyes was the yellow paint used on the fragment, the two lines of which, if extended, would most certainly form a ring around the inner part of bomb. Yellow is a favorite color with the Japanese, while Chinese bombs are as a rule painted in red.

Japanese Troops Land Near Shanghai —Eighty Men Lost at First Attempt

Japanese troops were landed at "several" points in the vicinity of Shanghai during the night of Sunday to Monday and early on Monday morning, Major Naokata Utsunomiya, assistant Japanese military attache, announced Aug. 23. The number of Japanese forces was placed by Major Utsunomiya in excess of 50,000 men. The exact number was not revealed.

News from Chinese sources denied that any such large number of Japanese troops had been landed. In many quarters it is believed that it is part of the Japanese strategy to exaggerate the number of troops landing here in order to hold a large number of General Chiang Kai-shek's troops in the Yangtsze Valley while the Japanese forces forge ahead in North China, which is their real objective.

Japanese Army detachments which landed near Shanghai Aug. 23 lost about 80 men within six hours after the beginning of operations, according to an official Japanese announcement made in the afternoon. "Despite these losses," the communique said, "our operations in the lower reaches of the Yangtsze are developing satisfactorily. Slightly above this point, our forces, have completed landing operations at 9 o'clock in the morning after six hours of repeated attempts."

The Japanese landing was effected under cover of heavy naval guns and air bombers. The Chinese, as the Japanese casualties indicate, put up a stiff resistance. During the evening, Japanese naval guns were fired in rapid succession from the lower reaches of the Whangpoo in the Pootung direction, the objective evidently being troop trains which were being operated over the light railway in that region. With the landing of Japanese troops the center of fighting has been moved away from Shanghai. The Japanese strategy is to threaten the rear of the Chinese forces, thereby causing them either to retreat, or in the alternative to surround and capture the Chinese forces. Japanese statements averred that everything would be done to prevent the Chinese forces from staging a strategic withdrawal.

Whatever the truth as to the number of Japanese troops that were landed in the Woosung area by the Japanese early this week there is no doubt about it that the Chinese used superior strategy. The Japanese troops landed in boats under the cover of a number of warships and evidently felt themselves secure. However, the Chinese troops had located machine gun batteries at strategic points and at an opportune moment began to blaze a way, with the result that the Japanese suffered, on their own admission, 80 casualties. Further than this the Japanese ran into another danger which they had not figured on, namely land mines which were exploded under them.

Chinese reports state that the Japanese reinforcements which had landed at Changwahpang under the cover of protective shelling from their warships and aerial bombardments, were forced to return to their vessels.

Chinese Trench Mortar Shells Fall Near Japanese Consulate

Chinese trench-mortar shells fell near the Japanese Consulate-General, Whangpoo Road, at about 7 a.m. Aug. 22.

Japanese planes dropped bombs on the Southern Baptist Mission (American) compound on Paoshan Road, during a raid at noon Aug. 19 causing some damage to buildings. The Chapei Waterworks were also hit during the same raid.

Willie's Theater at the corner of Haining and Chapoo Roads was struck by a shell which exploded, causing some damage, Aug. 19.

A lone Japanese plane passed over Lunghwa airdrome at 2.10 p.m., Aug. 19, dropping bombs which are reported to have set fire to a hangar.

Japanese warships near Woosung continued heavy shelling of Pootung while Chinese heavy field-pieces returned the fire, Aug. 19.

Chinese artillery, stationed in the vicinity of Chenju, shelled the Hongkew and Wayside districts, Aug. 22.

Heavy street-fighting occured near the Ward Road prison, following an infantry drive by Chinese along East Seward Road and Kungping Road.

Chinese conducted air raids Aug. 22 over Yangtszepoo, Hongkew and on Japanese warships off Woosung, which lasted some 40 minutes.

Japanese conducted an air raid at Kiangnan Arsenal, Pootung and the junctions of the Shanghai-Nanking and Shanghai-Hangchow-Ningpo Railways, Aug. 22.

Japanese forces guarding the northern and eastern sectors repulsed two separate Chinese attacks on these fronts during the night of Sunday to Monday, Japanese naval authorities declared in an announcement during the morning of Aug. 23.

Chinese have no peace in their own country—tens of thousands driven from the Chapei, Hongkew and Yangtszepoo districts across Soochow creek into the Occidental section of the International Settlement.

Chinese Troops Break Through Japanese Lines

Chinese troops broke through Japanese lines outside the northern Yangtszepoo boundary near Paoting and Alcock Roads and launched an attack on Japanese positions around the Ward Road Jail area in Shanghai Aug. 19.

Fighting Along Hongkew Creek

Fighting was in full swing at 8 p.m. Aug. 20 near the eastern section of the Hongkew Creek. Supported by a gun barrage from their men-of-war on the Whangpoo, Japanese detachments were engaged in a combat with the Chinese forces. Two Japanese planes late in the evening dropped bombs on Chinese positions next to the Kashing Road bridge The Japanese Naval authorities also accused Chinese plainclothesmen of setting on fire the huge building of the Nanyang Tobacco Company on Broadway, prior to evacuating it. Chinese soldiers in mufti, according to a Japanese announcement, had filtered into the area and opened fire on Japanese troops from the windows of the plant.

British Soldier Wounded by a Japanese Bomb at Toyoda Cotton Mill

One of the British soldiers garrisoning the Toyoda Cotton Mill at Tsaochiadoo was wounded as the result of a bomb dropped by a Japanese airplane at 2:15 p.m. Aug. 20. His wounds were described as slight.

59th, 87th and 88th Divisions Bear Brunt of Fighting in Shanghai

Three Chinese divisions, the Fifty-Ninth, Eighty-Seventh and Eighty-Eighth, have borne the brunt of fighting in the Shanghai area for the past 48 hours, according to press messages received in Tokyo Aug. 22. The Fifty-Ninth Division, the messages said, has been staging continuous, although thus far unsuccessful, attacks upon the barracks of the Japanese Naval Landing Party, Kiangwan Road. The Eighty-Seventh and the Eighty-Eighth divisions were, according to the reports, attacking Japanese positions in the eastern and the northern districts of the city respectively.

Foreign Defense Forces in Shanghai Considered Adequate

The Shanghai Municipal Police authorities declared Aug. 20 that the defense forces of the International Settlement were adequately prepared to check the possible retreat of defeated troops into the area south of the Soochow Creek.

Japan's Adverse Trade Balance Reaches Yen 777,000,000

The adverse balance of Japan's foreign trade since the beginning of the year, up to Aug. 20, reached Yen 777,277,000, according to an announcement issued by the Tokyo Treasury. With imports totalling Yen 116,636,000 and exports amounting to Yen 83,493,000, the foreign trade for the last ten days was valued at Yen 200,129,000. Iron headed the list of imports, with a value of Yen 29,875,000.

Three Civilians Implicated in Last Year's Mutiny Are Executed

Four civilian leaders implicated in the mutiny in Tokyo Feb. 26 last year were executed by a firing squad Aug. 19.

Japan Not to Tolerate "Inteference" by Third Party

The determination of the Japanese government to settle the conflict with China by force or arms and not to tolerate the intervention of any third party, was stressed by Premier Prince Konoye in a declaration to press representatives in Tokyo August 20. This declaration, following that of Deputy Foreign Minister Horinouchi to the British Charge d'Affaires, is regarded as definitely confirming the failure of the British compromise plan.

Japan to Maintain Yen Exchange Rate

Japanese bankers Aug. 21 decided to maintain the Tokyo-London cross rate at 1*s.* 2*d.*, with the exchange rates for other currencies being determined individually by exchange banks.

No penalties for the violation of the agreement are provided; moral suasion is considered sufficient. The meeting was called at the instance of Toyotaro Yuki, Governor of the Bank of Japan.

Imports of Steel Materials Into Japan Hampered by Hesitant Attitude of Finance Ministry

The Tokyo *Asahi*, Aug. 12 stated that because of the aggressive purchase drive of American steel materials as a counter-measure to cope with the domestic steel famine since the spring, the Japan Iron Mfg. Company has succeeeded in contracting the imports involving an estimated total of 260,000 metric tons of steel materials from the United States during the period ending in March, 1938. The company has obtained the licenses for the import exchanges concerned for the arrivals up to September, this year, involving some 130,000-140,000 metric tons. As regards the contracts for the arrivals after September, the company is having difficulties in getting the smooth grant of the import exchange licenses from the Finance Ministry, the ministry hesitating to issue the licenses in view of the adverse trend of the foreign trade situation. Apparently, as a result, the market quotation of the round bars (base) has jumped to Yen 230 in recent weeks, advancing by about Yen 30 as compared with the quotations preceding the outbreak of the North China Incident.

The *Chugai Shogyo*, Aug. 11 stated that the trade of Japan in the first ten days of August ended in the import excess of Yen 23,000,000, sending up the total import excess in the first seven odd months of this year ending on August 10 to Yen 744,000,000. Strong signs of the shrinkage of the export trade have become visible, with no possible prospects of the change of the trend to the export excess, the *Chugai* said.

"Washington Post" Flays Japan in Editorial

"Win or lose, Japan will never be able to justify this unspeakable outrage," the *Washington Post* said, in commenting on the Shanghai situation, Aug. 20.

Admiral Okochi Speaks of Japanese "Patience"

Japanese "patience" in the face of "constant Chinese provocations" was emphasized by Rear-Admiral Denshichi Okochi, Commander of the Special Naval Landing Party, in Shanghai Aug. 22.

Japanese Contributions Hit Yen 900,000 in One Day

Japan's war chest was swollen by Yen 900,000 in one day (Aug. 20). Forming long queues, thousands of patriotic Japanese ranging from schoolboys to company directors made cash gifts to the Ministries of War and Navy, *Domei* messages stated.

"Diarrhoeic Cabinet"—the Not-Very-Eulogistic Name for Konoye Cabinet

(*From the Tokyo Chugai Shogai Shogyo, Aug. 7*)

Premier Konoye, despite his physician's guarantee as to his splendid constitution, has again succumbed to illness although he made a robust Diet debut. The ailment is catarrh of the stomach and intestines, you know, loose bowls and all that ...

During the present Diet session Education Minister Yasui and Justice Minister Shiono suffered from the same trouble and for the last few days even. Akira Kazami, chief secretary of the cabinet, who is usually strong, is looking the shadow of his former self from the same ailment. Thus the Konoye Cabinet has earned the not very eulogistic epithet of the "Diarrhoeic Cabinet."

Chinese Merchants Cancel Japanese Goods Contracts Totalling $470,000,000

Numerous contracts by Chinese merchants with Japanese manufacturers for Japanese goods have been cancelled since the outbreak of the Sino-Japanese hostilities in Shanghai on Aug. 13, according to Shanghai business circles. Such cancelled contracts, it is stated, run to a total of $470,000,000.

Japan Would Like to Make the War with China a "Short" One

General Sugiyama, Japanese War Minister, stated in Tokyo Aug. 24 that Japan intended to bring hostilities to an end as speedily as possible by taking the military intiative instead of continuing her past policy of replying to Chinese attacks. Japan, he added, would not wage a protracted war against China and thus play into China's hands.

U.S. Determined Not to Lose Interests in Far East, Says British Correspondent

Co-operation between the United States and other Powers in the Far East is faced with political difficulties, according to the Washington correspondent of the London *Morning Post* Aug. 19. The full effect of the despatch of more Marines to Shanghai is not yet clear, but if it passes without strong opposition, the Administration, the correspondent says, will feel that its hand has been strengthened and will be able to pursue a vigorous policy in the Far East.

Behind the decision to increase its forces, proceeds the correspondent, is a determination not to yield a dollar of investment or a point of privilege under pressure from Japan. It is felt that if the Japanese forces take full possession of Shanghai, any failure of the international forces to preserve order would excuse Japanese intervention in the interests of law and order. The United States, the *Morning Post* correspondent asserts, is not going to lose her influence and interests in the Far East by default. The President himself is believed to be particularly concerned, firstly, over the safety of Americans and, secondly, over the opinion felt to be increasing abroad that the United States is a decadent Power.

Why America Is Loath to Apply Neutrality Act to Far East

The situation in the Far East is so unequal that the application of the Neutrality Act might put the United States in a position of favoring one nation, declared the Secretary of Commerce, Daniel Roper, in referring to the Sino-Japanese hostilities in Washington, Aug. 18. "We do not want to do that," he added. Mr. Roper gave figures showing that in the first five months of 1937, United States exports to China totalled $26,256,000 and to Japan $140,325,000. The shipments to Japan consisted primarily of cotton, oil and petrol. Whether to designate these as implements of war subject to the embargo, the Secretary of Commerce said, would be an important question if the Neutrality Act was invoked. Meanwhile, he assumed that American businessmen would continue trading with China and Japan with a full knowledge of the barriers and circumstances that were likely to develop. He added there had been no indication that the shipment of five locomotives to China, which was arranged through the Export and Import Bank, would be delayed on account of the war.

Hamilton Fish, Republican Representative New York, in the House of Representatives from Washington, Aug. 18 supported a proposal to appropriate $500,000 for the relief of American citizens in the China war area but was opposed to sending additional armed forces to the Far East.

Sir Eric Teichman Says British and American Interests in China Are Identical

British and American interests in China are identical, declared Sir Eric Teichman, formerly Counsellor of the British Legation in Peiping, in a prominent article in the *London Sunday Times*, Aug. 22. They have alreads aimed, he says, at the promotion of a strong stable Central Government ruling a united Chinese people. On the other hand, Sir Eric proceeds, Japan seems always to seek a deal locally with regional authorities and, by her actions, oppose the whole principle of unity and stability in the government of China. The divergence between British and American, and Japanese policies thus widens every year, he adds. Yet Japan must trade with China, and her prosperity depends upon Chinese wealth.

True well-wishers of both, Sir Eric concludes, hope that the statesmen of Japan will soon realise that it is doubtful if they can coerce the Chinese, and that peace can only be assured by recognising the claim of new Chinese to be treated with equality.

Soviet Russia Allegedly Sends War Materials to China

Large shipments of Soviet armaments have been made to China according to a signed article appearing in the *Republique*, Radical-Socialist organ, a dispatch received by the Japanese Foreign Office from Dr. Yotaro Sugimura, Japanese ambassador at Paris, Aug. 23 said. The author, a M. Gerard, alleges that 362 airplanes, 430 cannon and 1,500 heavy machine guns had been sent to China up to the end of last month,

"Soviet Russia," the writer declared "is greatly concerned with the present Sino-Japanese controversy; however, the conditions prevailing in the Soviet Union at the present time prevent her from taking any positive action."

Mr. Gerard pointed out, however, that Soviet Russia is "maneuvering behind the scenes. Such maneuvering," he added, "consists in the sending of Communist propagandists, technical experts and military equipment to China."

Chinese Now Stated to Be Attacking Manchuria

It was reported in London Aug. 21 from Peiping that the fighting in northern China has spread to a new sector. According to Japanese accounts, the Chinese troops have advanced 60 miles along the railway from Peiping to Nankow and are shelling the Japanese positions at Liangshiang. Simultaneously other Chinese forces are advancing through north Chahar to Manchuria without encountering resistane. The strength of the Chinese forces despatched by Nanking to northern China is estimated by the Japanese at 400,000.

Kwantung Army Determined to Oust Chinese Troops from Chahar

The Kwantung army will take steps to break up the large Chinese concentrations in Chahar Province, it was announced in Hsinking Aug. 22 in an official communique issued by the headquarters of the Kwantung Army.

Shanghai German Community Contributes Liberally for Relief of War Refugees

Under the auspices of the German Chamber of Commerce, the local German community have rallied magnificently to the help of Chinese war refugees who had been pouring into the International Settlement and the French Concession since the outbreak of war between Chinese and Japanese troops ten days ago.

A relief fund for Chinese refugees, according to an announcement released Aug. 23 had been instituted, and up to said date a handsome total of $15,935 had already been collected.

The largest single donation so far—$2,500—was made by the well-known dyestuff firm, I. G. Farbenindustrie A. G., whose local representatives are the Deutsche Farben Handelsgesellschaft, Deutsche Stickstoff Handels Gesslschaft, Bayer Pharma Co., and Agfa China Co.

Several leading local German firms, including Carlowitz & Co., Otto Wolff-Koeln, Melchers & Co., Siemssen & Co., Hamburg-Amerika Linie, and the Deutsch-Asiatiche Bank, each gave $1,000.

Nagasaki Sending Provisions to Japanese in Shanghai

Necessary provisions for 10,000 Japanese are being sent to Shanghai by the Nagasaki Prefectural Government, the Nagasaki Municipal Government and the Nagasaki Chamber of Commerce. The provisions include onions, egg-plants, potatoes, cabbages, caramels, sugar and tobacco.

Chinese in Canada Contribute to Nanking's War Chest

$7,000 has been received from overseas Chinese in Canada for the Government's "war chest," it was announced at the Overseas Affairs Commission in Nanking, Aug. 23.

Japanese Massacre Chinese Farmers When They Refuse to Cut Down Crops

Angered by the refusal of Chinese farmers to cut down their ripening crops, Japanese troops stationed at Lianghsiang along the Peiping-Hankow Railway have ordered the wholesale massacre of large numbers of the farming populace there, according to a report from communication circles received in Nanking Aug. 22.

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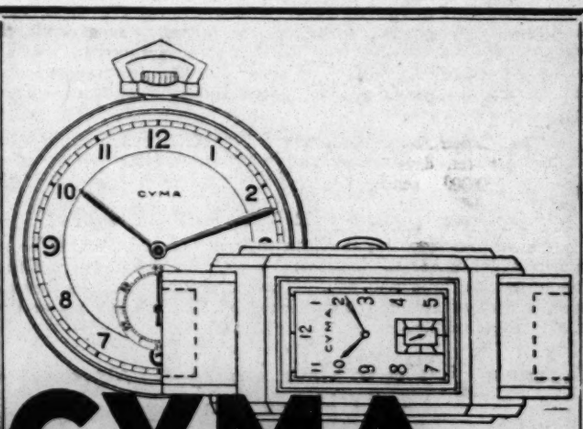

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Japanese Planes Attack Various Interior Points

Six Japanese bombers, accompanied by six Japanese pursuit planes attacked the Chinese airdrome in Nanking, Aug. 21, according to an announcement by General Chiang Kai-shek's headquarters. The holes made in the air field by the bombs, however, were quickly refilled. Meanwhile, Japanese planes attacked the airdrome at Kwangteh. Chinese pursuit planes rushed there from Nanking and one of the Japanese machines was shot down, the announcement added.

A squadron of the Chinese Air Force, during an air battle with six heavy Japanese bombers at 1:30 p.m. Aug. 19 succeeded in bringing down three of the enemy planes at various points.

Flying into the interior of China, the enemy bombers were encountered by a fleet of Chinese pursuit planes at a point bordering the Kiangsu, Anhwei and Chekiang Provinces. An air duel followed and after two hours' fighting no less than three of the six Japanese planes were shot down by the Chinese airmen.

Two of the Japanese planes, it was later ascertained, were shot down at Liyang on the Kiangsu-Anhwei border, while the other was disabled at Kwangteh, on the Anhwei-Chekiang border.

Japanese Claim Bombing of Kienkiao Airdrome

Japanese naval bombers carried out an "effective" raid against the Chinese aircraft factory at Kienkiao setting it on fire, a spokesman for the Japanese Ministry of the Navy stated Aug. 21.

Japanese Airman at Hankow Driven Off After Spirited Dog Fight

Hankow was awakened during the night of Aug. 21 by the appearance of a fleet of eleven Japanese bombers over the city. Chinese aeroplanes went up to attack them and, after a spirited engagement, drove them away. Three bombs were dropped by the enemy but little damage was done, a *Kuo Min* message said.

Two Japanese Bombers Shot Down at Kwangteh

Two Japanese heavy bombers were shot down shortly after 10 a.m. by Chinese airmen at Kwangteh on the Kiangsu-Chekiang border, while eight others were chased away by Chinese pursuit machines.

Japanese Planes Bomb Kiukiang, But Little Damage Done

Four Japanese planes dropped several bombs on Kiukiang, the Kiangsi port, Aug. 20 but no serious damage was inflicted.

Japanese Plane Forced Down at Sea—Rescued by Fishermen

Two Japanese pilots—Messrs. Tanaka and Hamasaki—who were taken prisoners near Tzuki district on the 17th inst., were brought to Hangchow, from Ningpo Aug. 19. Their airplane was forced down and fell into the sea on the 16th inst. when it was being chased by Chinese pursuit planes after an unsuccessful raid on Hangchow. The pilots were picked up by fishermen; their airplane is still afloat.

Two Japanese air squadrons, consisting of six bombers each, invaded Kwangteh, eastern Anhwei, and Nanking Aug. 19.

Eight Japanese airplanes appeared over Yochow, northern Hunan, at 3.50 p.m. Aug 19.

Japanese Bombers Raid Kiangyin Fortifications

Chinese fortifications at Kiangyin were bombed Aug. 22 by an undisclosed number of Japanese 'planes, the Tokyo Navy Office announced the following day. Heavy damages were also inflicted upon a fleet of armored cars located by the Japanese air unit at Kating the communique added.

Japanese Claim to Have Damaged "More Than 30" Chinese Planes

"More than thirty" Chinese 'planes were put out of service by Japanese air raiders in Central China during Saturday and Sunday, the office of the naval attache to the Japanese Embassy announced in a special communique on the night of Aug. 22.

Two Japanese Bombers Brought Down in Shanghai

Airman Liu Tsui-kang repeated the feat which he accomplished on Aug. 17 when he brought down two Japanese planes in Shanghai Aug. 21, *Central News* stated.

Effective Air Raid Staged by Chinese Over Japanese Positions in Hongkew

An effective air raid executed by two Chinese bombers over Japanese positions in Hongkew at 6.20 a.m. Aug. 21, started the ninth day of the local hostilities. Despite the terrific barrage from Japanese anti-aircraft guns, the two Chinese machines found their objectives upon which they let loose their cargo of destructive bombs. They left in an easterly direction, leaving behind them several fires which soon shot up columns of thick and black smoke to darken the sky over the area north of the Soochow Creek.

About 9 o'clock the same morning, a lone Chinese war-hawk appeared near Japanese warships in the Whangpoo River, and before it was sighted by Japanese observers, it swooped down to lay several "eggs" on Japanese defense works behind the China Merchants' central wharf on Broadway. By the time sirens were sounded on these Japanese men-of-war and anti-aircraft guns began to bark, the raider got away. The dexterity of the Chinese airmen and the smooth and almost perpendicular dive preceding its release of bombs won the hearty commendation of Chinese and foreigners who watched the performance from vantage points not far away.

Aerial combat featured the fighting in Shanghai early Aug. 20 when three Japanese planes were subjected to machinegun fire from an equal number of Chinese aircraft shortly after 7 a.m. After having successfully driven the Nipponese planes away, the Chinese aircraft bombarded the Japanese positions in Hongkew and Japanese men-of-war outside Woosung. As a result several huge fires were started. in the Hongkew district and in Yangtzepoo.

Bombs were dropped at several places between West Ward Road and Broadway. Damages to the Japanese lines were described in an official Chinese communique as "most severe."

C. N. A. C. Pilots Discontinue Services for Duration of the War

That Pan American Airways—which holds 45 per cent of the stock—had not severed connections with China National Aviation Corporation that Chinese pilots were now operating the seventeen big passenger planes on charter and passenger flights in the north-west, and that, as far as he knew, the sixteen American pilots had definitely left the air for the duration of hostilities, were declarations made Aug. 22 by the vice-president of C.N.A.C., H. M. Bixby.

"The planes," he said, "were flown to Nanking as soon as trouble loomed and since then there has been a lot of loose talk that the American pilots have been flying for the Chinese air force. So far as I know that is completely incorrect.

"The Americans in our employ are well advised of the very rigid laws of our country in the matter of United States' citizens joining armed forces, irrespective of the Neutrality Act. The law (Sec 4090, U. S. Revised Statutes) is a very old one and it concerns service by Americans either in civil war or against a country with which America is at peace. The U.S. Court for China has stated the position plainly, whether the hostilities here are in the guise of war or undeclared war. The penalty could be a fine of U.S. $2,000 and imprisonment."

Mr. Bixby admitted strong pressure had been brought upon the company to permit the pilots to continue flying because China was seriously in need of their services for special transport. However, the attitude of the American officials made continued operation impossible. Mr. Bixby claimed he had no information whether any of the Company's pilots, mostly former U. S. Army or mail pilots might attempt to continue individually in the service of the Chinese Government, but he expressed his personal opinion that none of them would be likely to accept service which would bring them into conflict with the American regulations.

The reported commandeering of all mail and passenger planes of the China National Aviation Corporation, by the Chinese Government, was refuted as groundless by a spokesman of the concern in Shanghai, Aug. 24.

The report, it was pointed out, probably had its origin in the temporary suspension of three airlines from Shanghai to Canton, Tsingtao and Hankow, because Shanghai has become a war zone while a state of emergency exists in the other three cities. Another reason for their suspension is to be found in the partial destruction of its air port at Lunghwa by Japanese bombers. Though the damage was slight, it is not easy to effect the necessary repairs for the time being.

Foreign War and Merchant Vessels Asked by Chinese to Move Down River

The Chinese military authorities Aug. 19 requested all foreign war ships and merchant vessels in Shanghai to move to a distance of at least five nautical miles away from any Japanese warships, failing which the Chinese military authorities would request the Powers concerned to make Japanese warships move away from foreign warships and merchant vessels to a similar distance.

If neither request is complied with within 12 hours the Chinese Government, it is declared, will not assume any responsibility for any damage which may be caused to the war craft or merchant ships of third countries during engagements of the Chinese air force, or any other forces, with Japanese warships.

Foreign naval commanders did not ask Vice-Admiral Hasegawa, commander-in-chief of the Japanese Third Fleet, to move his vessels five miles from the anchorage of neutral vessels, a spokesman for the Japanese Embassy said the same afternoon. Asked if he believed that the Japanese vessels would have moved if asked, the spokesman replied: "I do not think so."

The question involved later became a rather academic one as the Japanese war vessels moved down river to engage in repelling Chinese attacks.

Shake-Up in U.S. State Department Affects Hornbeck and Hamilton

U.S. Secretary of State Cordell Hull revealed Aug. 17 that a "shake-up" had taken place in the personnel of the State Department who were dealing with the Far Eastern policy of the United States. Maxwell Hamilton has been appointed Chief of the Department's Division of Far Eastern Affairs, succeeding Dr. Stanley Hornbeck, who has been given the newly-created post of Adviser to the Division. The change, Mr. Hull stated, would facilitate the formulation of questions of policy.

The following is a brief sketch of the career of the two men concerned:

Maxwell McGaughey Hamilton—Born Tahlequah, Okla., Dec. 20, 1896; Washington and Jefferson College 1914-15; Princeton, graduated 1919; U. S. Army 1918; instructor in Tome School 1919-20; appointed, after examination, student interpreter in China May 20, 1920; vice consul and junior interpreter at Canton Oct. 9, 1922; senior interpreter Nov. 5, 1923; foreign Service officer of class eight July 1, 1924; assigned to Shanghai (junior assessor, Mixed Court) April 30, 1925; class seven October 20, 1926; senior assessor Feb. 10, 1927; assigned to the Deptarment July 24, 1927; class six Dec. 19, 1929; resigned July 31, 1930; appointed divisional assistant at $5,600 in the Department of State Aug. 1, 1930; assistant chief, Division of Far Eastern Affairs, at $6,500, April 1, 1931; married.

Stanley Kuhl Hornbeck,—Born Franklin, Mass., May 4, 1883; University of Colorado 1899-1901; University of Denver, A. B. 1903; Oxford, B. A. 1907; University of Wisconsin, Ph.D. 1911; instructor in University of Wisconsin, 1908-1909; in Chinese Government College, 1909-1913; assistant and associated professor of political science, University of Wisconsin, 1914-1917; lecturer, University of Michigan, summer 1917; special expert, U. S. Tariff Commission, 1917-1918, 1919-1920, 1921; technical expert, Far Eastern Division, American Commission to Negotiate Peace, 1918-1919; U. S. Army 1918-1919, captain, overseas service; on staff of Maj. Gen. James G. Harbord on American Military Mission to Armenia Aug.8-Oct.-1919; travelled in Far East 1920-1921; technical expert, American delegation to Conference on Limitation of Armament, Washington, 1921; drafting officer in Office of Economic Adviser, Dept. of State, 1921-1924; Lt. Col. O. R. C.; Williamstown Institute of Politics, round table leader 1922, special speaker 1927; lecturer on history of Far East, Harvard, 1924-1928; member of Institute of Pacific Relations; technical adviser, American delegation, Special Conference on Chinese Customs Tariff, Peking, 1925-26; appointed drafting officer at $6,000 in the Dept. of State and designated chief, Division of Far Eastern Affairs, Feb. 15, 1928; at $8,000 July 1, 1928 (Welch Act); representative of Dept., Fifth Congress of the International Chamber of Commerce, Amsterdam, 1929; representative of the Dept. of State, Sixth General Congress of the International Chamber of Commerce, Washington, 1931.

Sentence on Prominent Communist Commuted by Nanking

The National Government Aug. 21 commuted the sentence on Chen Tu-hsiu, noted Chinese communist and author, from 8 years' imprisonment to three years. During his three years of confinement in the Kiangsu First Prison in Nanking, the mandate says, Mr. Chen had expressed deep solicitude for the welfare of the country and repented his past mistakes. It may be remembered that the communist writer was first sentenced to 15 years of imprisonment in 1932 on charges of having endangered the safety of the state. Upon his appeal the Supreme Court reduced his term to 8 years on June 13, 1934.

Children's Colic.

Colic is a common trouble with infants and little children. Gas forms in the stomach and bowels and the consequent pain causes the child to cry out, he draws his legs up close to the body and refuses to be quieted.

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Baby's Own Tablets are equally helpful for the correction of many other childish ailments such as constipation, vomiting, diarrhoea, colds and croup, simple fever, and worms. And, during the troublesome teething period, they quickly ease the pain by settling the stomach and relieving inflammation in the gums. Obtainable at all chemists.

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New Books of Interest in the Far East

A Paris Correspondent Looks at France

Which Way France? By Alexander Werth. Harper and Brothers, publishers, New York. $3. 414 pages.

This is one of the most complete and instructive books on the political situation of a nation to have been written in recent years. Alexander Werth, French correspondent for the Manchester Guardian, has taken France from 1919 to the beginning of 1937 and presents to the reader a running account of every political move or step during those years.

There is so much meat in the book a reviewer does not have space to make proper comment. Various overworked adjectives, such as complete, authoritative, brilliant, absolutely indispensable can with verity be applied to *Which Way France.* The style is most enlivening. Clemenceau again lives, as the pages unfold Briand's peace policy, his decline and eventual death. In fact, every event in France's political life, that is, every important event, is related in a witty and informative way, and with a wealth of detail.

The place of the press in France's unrest is clearly told by Mr. Werth, especially his bold statement "Papers like *Gringoire, Candide, Le Jour,* and a few others, have done more than anything else to stir up hatred in France, and to keep France divided, as far as possible, into two camps."

We are told that France is in a terrible dilemma. Although not powerful enough to exercise hegemony over Europe, she cannot afford to allow any other nation to dominate Europe. "In other words, she *cannot afford* to allow Germany to dominate the whole of Central or Eastern Europe. The great question is: will she have the diplomatic skill to prevent it? Even as France's foreign policy in the last few years has been marked by the most terrible blunders and failures, the Blum Government's determination to restore Anglo-French cooperation, and to court the friendship of the United States to the extent of re-examining the whole questions of war debts was dictated by a sound instinct. The mere fact that the three great democracies *may* be drawn together in opposition to such combinations as the German-Japanese pact has had a discouraging effect on the Powers most likely to provoke and her world war."

Mr. Werth feels there is no real technical possibility of a civil war in France, since the army is essentially non-political. Business was picking up at the end of 1936; Paris and France were not so pessimistic as they had been during the four previous years. Prospect of a change of regime seemed more remote than ever, even if there might possibly be a change of government. Fascism counted for little, and France is steadily regaining her equilibrium—"the equilibrium of a great Democratic Republic. Only beyond the Rhine, Herr Hitler was planning new surprises. And beyond the Pyrences there was Spain." Both are causes of great anxiety.

We can well agree with the cover, this is a "brilliant study of the recent dramatic events in France, the present dilemma, the probable future developments." M. V.

A Novel of Disillusionment

Three Comrades by Erich Maria Remarque; Little, Brown & Company U.S.$2.75.

The author of "All Quiet on the Western Front" and its sequel, "The Road Back," has written another novel, this time in a post-War setting. The scene is laid in Germany, as is the case with his previous books, and the time is the year 1928.

The story hinges around three men and a girl. Otto Koster, Gottfried Lenz and Robert Lohkamp were partners in an auto-wrecking and repair shop and their efforts to keep abreast of outright poverty were desperate ones. Into their lives and prticularly the life of Robby, walked Patricia Hollmann, a girl of rare beauty and character. Previous to her coming Robby had filled the void left by the War with the friendship of his comrades. Now he had love, as well. Pat became one of them. Thus in a world torn with dark poverty and disillusionment their love and the comradeship of the three stood out as a shining star against the losing battle they waged with death.

However, of all the characters only Robby Lohkamp and Pat Hollmann resch complete reality for the reader. The others are ghosts who flit like wraiths through the story, although at rare times they too assume form. These people are rather symbols, symbols of an era of decay, disillusionment and corruption. But it has seemed to the reviewer that the intention of the author was to capture this spirit of a dying order rather than to present his readers with a group of complete and full-bodied characters. If so he has succeeded.

"I sat a long while and thought of all sorts of things. Among others, of how we came back from the war, like miners from a pit disaster, young and disillusioned of everything but ourselves. We had meant to wage war against the lies, the selfishness, the greed, the inertia of the heart that was the cause of all that lay behind us; we had berome hard, without trust in anything but in our comrades beside us and in things—the sky, trees, the earth, bread, tobacco, that never played false to any man,—and what had come of it? All collapsed, perverted and forgotten. And to those who had not forgotten was left only powerlessness, despair, indifference and schnapps. The day of great dreams for the future of mankind was past. The busybodies, the self-seekers triumphed. Corruption . . . Misery . . ."

"Never want to know too much, Bob. The less a man knows the simpler it is to live. Knowledge maketh free—but unhappy. Come, drink with me to simplicity, to stupidity and to the things that belong to it—to love, to faith in the future, to the dream of happiness; to magnificent stupidity, to the paradise lost . . ."

"Three Comrades" is not a happy book. It could not be. No book which truly attempts to capture the spirit of the present age could be a happy book. D.D.

Fifty Transports Bring 50,000 Japanese Troops to North China

Japanese troops continued to pour into North China this and last week, fifty-odd Japanese transports having arrived off the Taku Bar. They brought infantry, cavalry, artillery and other military supplies.

It is estimated that some 80,000 Japanese troops are now in North China, although some believe that the number has gone past the 100,000 mark.

The boundaries of all foreign areas in Tientsin have been marked with large flags and other signs easily visible from above and floodlit at night,

100,000 Japanese Troops in North China

The Chinese Embassy issued a statement in London, Aug. 22 to the effect that the estimated number of Japanese troops in North China is about 100,000.

Four Japanese Divisions to Remain in Tientsin and Peiping

Four Japanese divisions will be stationed in Peiping and Tientsin to strengthen the defense of these two cities, a Nanking *Central News* message Aug. 23 stated.

Japanese Mass Huge Forces to Defend Tientsin

A considerable concentration of Chinese regular troops gathered at Machang, on the Tientsin-Pukow Railway, about 50 miles from Tientsin, early this week. The Japanese are said to have dispatched a force along the Grand Canal, in the direction of Machang, to watch the movements of the Chinese regulars. The Japanese were preparing aerial defences at Tientsin. Chinese plain-clothesmen have been thrown around Tientsin and are operating in the immediate vicinity. Singly, or in small groups, these men continuously harass Japanese outposts, resulting in intermittent outbursts of rifle fire and the occasional boom of light guns. The Japanese are stated to be concentrating a strong force for the defence of Tientsin. Peitaiho is being prominently mentioned as a possible place for the concentration of evacuees.

Reinforced by about 1,000 soldiers and twenty field guns, Japanese troops renewed their attempt on Liangwangchuang south of Tientsin on the Tientsin-Pukow line, Aug. 22.

Chahar Political Council Ceases to Function

Japanese authorities have officially announced that the Hopei-Chahar Political Council has ceased to function and that the Peace Preservation Associations are carrying out their duties.

General Sung Cheh-yuan, Commander-in-Chief of the 29th Army, when he arrived in Nanking, Aug. 22, stated that the 29th Army at the front had been reorganized and redistributed for fighting services in Hopei and Charhar. The units in Hopei, General Sung said, have been placed under the command of General Feng Chih-an, Chairman of Hopei and Commander of the 37th Division, and those in Charhar have been placed under the command of Gen. Liu Ju-ming, Chairman of Chahar.

Chinese Troops Allegedly Hemmed in by Advancing Japanese Near Kalgan

Hemmed in between two advancing Japanese columns, Chinese forces are facing annihilation, reports received in Tokyo military quarters Aug. 23 stated. It was added that Kalgan, capital of Chahar, has fallen into the hands of the Japanese. This followed the capture of Wanchuan, approximately eight kilometers west of Kalgan.

Soldiers Wounded in Shangtu Battle Taken to Kweihua

About 200 officers and soldiers who were wounded during the capture of Shangtu, the base of operations of the "Manchukuo" and Mongolian bandits and the Japanese invaders in northern Chahar, were brought into Kweihua, Aug. 22 from the front for medical treatment.

China Unconquerable!

The following is a condensation of an article contributed by Soong Ching-ling (Madame Sun Yat-sen) appearing in "Forum" Magazine for August.

From my viewpoint, the most important task before China is the realization of Dr. Sun Yat-sen's principle of Democracy. To guide us in the Chinese revolution, Dr. Sun has given us his Three Principles, Democracy, Nationalism and People's Livelihood, and his Three Policies which are the instruments by which these principles can be achieved. The democratic nations have witnessed how the negligence of the first principle during the past ten years brought great calamity to China. There have been endless civil warfares; the country has been devastated; millions of our people have perished and millions are rendered destitute and desperate. The best minds of China have always demanded the cessation of civil warfare and conciliation between the Kuomingtang and the Communist Party. Long ago public opinion condemned the detrimental and insidious slogan that before resisting Japan, we must first crush the communists. Naturally this slogan was provoked by Japan.

It is a matter of congratulation that General Chiang Kai-shek has stopped further civil warfare, and that the Kuomingtang at last, in the recent plenary session, discussed the question of reconciliation with the Communist Party. But it is very regrettable that in the manifesto of this plenary session, conditions for conciliation with the communist party have been laid down which will make a ready compromise difficult of achievement.

It is my confident belief that China not only can resist every and any Japanese aggression but that she can and must prepare to recover her lost territories. China's greatest strength lies in the awakening of her masses. During the last two years, the anti-Japanese movement has grown tremendously. If sometime ago the Japanese imperialists had hopes of making the Nanking government their tool to subjugate China, this fond hope must now disappear. Every new act of Japanese aggression strengthens Chinese resistance more and more. The Japanese policy of dismembering China is a failure. On the contrary, Japanese aggressions sponsor Chinese unification and resistance and there can no longer be a government in China which would dare make new territorial concessions to Japan.

Dr. Sun Yat-sen advised China, in her foreign policy, that she should ally herself with those countries who treat her on a basis of equality. There is no doubt that Japanese aggression has aroused world wide sympathy for China, and serious dissatisiaction of other nations with Japan's imperialistic policy. Japan is in an isolated position. The attempt of Japan to fight a way out through the German-Japanese Agreement has also ended in complete failure. In Japan itself there is growing dissatisfaction with this Agreement. The Chinese people have never entertained aggressive designs, but the Chinese people will no longer remain homeless slaves, driven out from their own homes, or endure the taunt of being the sick men of Asia.

Economically Japan is a weak country. Her chief weakness lies in the proverty of raw materials such as iron ore, cotton, oil, and non-ferrous metals, gold and platinum, which Japan is forced to import in great quantities every year. This poverty in raw materials is a most dangerous weakness for Japan in case of war because she will then be dependent upon other countries, who at any moment might cut off her supply. There is no possibility for Japan to establish great reserves of these raw materials in a period of peace, because of her lack of capital. She cannot invest huge sums for that purpose.

Japanese agriculture is decreasing year by year. In 1929 it was 4½ milliard yen; at the end of 1935 it was 3-2/10 milliard yen. A growing discrepancy between market prices of agricultural and industrial products becomes ever sharper, rendering conditions more and more unfavorable for agriculture. In 1936, the impoverished farmers accumulated debts amounting to 5000 million yen, while Japan had to import one-fifth of the foodstuffs to maintain the already low standard of living. The Japanese peasantry is suffering from three different kinds of exploitation. The landlords take from 50-60% of the crops in rent, while the state increases the taxes each year in order to pay for the military expenses, and lastly the industrial capital is improverishing the peasantry by sponsoring high prices on industrial products.

The Japanese newspapers are discussing this problem of impoverished peasantry, and the Japanese themselves are pessimintic over their rural districts.

Japanese economic and social structures are too weak to withstand a long war.

With the spontaneous desire of the Chinese people to mobilize themselves, with China's immensely vast territory, rich in natural resources, with a population of 400,000,000 people, the "might" of Japan becomes a mere "Paper tiger." Japanese economic and social structures cannot hold out against a long war with the Chinese people. No! China cannot be defeated, even if she has to fight singlehanded against Japan. But China will not be alone, China has the sympathy of the world.

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Will Japan Force War?

(New Republic, July 21)

Will there be war in the Far East this time? It has been predicted intermittently now for several years, but each crisis has passed without formal and full hostilities. Alternately Japan was going to challenge Soviet Russia and China. But each time, the supposed opponent has withdrawn at the critical moment, or Japan herself has shown a sudden moderation when another step might have been irretrievable. There is no reason to suppose that on this occasion the result will be different, except that some time, if the friction caused by Japanese aggression continues, China or the Soviet Union will decide that the end of patience has come, or Japan herself will make war inevitable because she believes that a favorable moment has arrived.

Of course Japan would like to accomplish her aims without the strain of a complete war. Step by step she has penetrated as far as she dared at the moment, consolidating her gains behind her. First Manchuria, then Jehol and other northern provinces, then inner Mongolia, have fallen under her military influence. There is no assurance whatever that she has reached her goal. There are, to be sure, forces in the island empire that are afraid of the dangerous adventure and would like to give it up, but these forces were there even before the conquest of Manchukuo. Periodically they succumb to other forces whose ambition seems to be boundless, forces that ever since the War have been planning to bring all of eastern Asia under their hegemony. The expansionist elements now seem to have the upper hand.

The events of the past few weeks fall into a fairly definite pattern that seems to fit perfectly with what has gone before. Japan was impressed by the internal troubles of the Soviet Union. This might be a favorable moment for another thrust forward. What, in fact, was the temper of Moscow? In order to test it, Japan raised a sharp issue about two islands in the Amur River, which forms the boundary between Manchukuo and Siberia. There was no reason in the world to raise this issue except to see how ready Moscow might be to fight. Moscow proved conciliatory and withdrew her forces.

It can hardly be a coincidence that only a few days later Japanese troops began to cause trouble in the neighborhood of Peiping, which is part of the next slice of the Chinese cheese that Tokyo wants to cut for herself. The Japanese army was already confident that the Soviet Union would not interfere or back China in resisting. What would Nanking do? This may be a second exploratory move, to find out China's plans. It would be reasonable to suppose that unless Chiang Kai-shek and his cohorts convince Japan that they mean business, we shall see the occupation and alienation from China of still another piece of territory. If, on the other hand, China is ready to risk war rather than surrender, the affair may now be adjusted without further conquest.

Of course the danger of war is never absent from this game of bluff, whether carried on by Japan in the East or by Hitler and Mussolini in the West. The aggressor may some time underestimate the firmness of his adversary, or overestimate his patience. Or the victim, believing that a serious threat of resistance will stop his opponent without hostilities, may discover that the aggressor is too deeply involved to withdraw, and the threat will have to be made good. Certain it is that China has steadily become more united in the resolution to stop Japanese encroachments and better prepared to do so. The previous pattern might change, and war might come this time, either because China had at last had enough, or because Japan believed that eventually she would have, and it was better to precipitate hostilities when China was not yet fully ready and had little hope of allies.

Foreign Ministry Spokesman Clarifies China's Scheme of Military Operations

A spokesman of the Ministry of Foreign Affairs made the following statement Aug. 19 in regard to the operations of the Chinese armed forces in Shanghai:

"The Chinese forces in Shanghai as well as elsewhere are fighting against an aggressor, who in his violent actions on Chinese soil, has violated all peace-preserving treaties, such as the Nine Power Treaty and the Paris Peace Pact, of which all the Powers chiefly interested in the present situation are signatories.

"In such a struggle, according to the simple dictates of justice, the party defending itself must at least have equal opportunity for legitimate operations against the aggressive party.

"Before the outbreak of hostilities in Shanghai, the Chinese Government had already made it clear to the Powers that if the Japanese forces should use any part of the International Settlement as a base of operations, or a place of retreat, the Chinese defensive forces would be compelled to take all necessary measures against the Japanese combatants in the Settlement and that the Chinese Government could not be held responsible for the consequences.

"The Japanese forces are now using the Hongkew and Yangtsze-poo districts of the Shanghai International Settlement as their base of attack, while a large number of Japanese warships are continually bombarding the Chinese positions.

"The Chinese air forces, in taking action against such warships, have exercised at considerable risk to themselves the utmost care to avoid unnecessary harm or danger to the ships or property of third Powers.

"No attacks have been nor will be deliberately made by any Chinese airplanes on any other foreign warships or property. However, the Chinese Government cannot assume any responsibility for such unavoidable damage as may happen to the other foreign warships on account of their proximity to Japanese warships during the operations of Chinese aircraft.

"It would seem therefore best for the Powers concerned to make the Japanese warships move out of the Whangpoo River, failing which to move their own warships and other vessels from the danger zone.

"It is believed that the fairness and justice of the position taken by the Chinese Government will be readily appreciated, especially in view of the fact that we are not only fighting for the security of Chinese territory but also for the maintenance of international justice."

Essentials of Scheme to Isolate International Settlement

The essentials of any scheme for the isolation of the International Settlement from the theater of any Sino-Japanese hostilities (according to *Reuter*) are:

1. The mutually agreed exclusion of Japanese and Chinese military and naval forces from a zone including and surrounding Shanghai, and

2. To give confidence to the Japanese for the safety of their nationals, on the one hand, and to the Chinese against the use of the International Settlement as a military base, on the other hand, the protection of the Japanese in Shanghai should be entrusted to other foreign contingents in the Settlement acting in concert.

Signs of returning confidence in the ability of the administrations to "carry on" normal functions in spite of the critical situation were evident all over Shanghai beginning of this week.

Fairy Tales

The present war in Shanghai, as did the World War, has engendered a series of "fairy tales," which, on investigation, are proved to be just that—and not facts.

Prominent among these tales was the one about the French Admiral in Shanghai having notified both the Chinese and Japanese that he would repel flights of airplanes, by either of them, over the French Settlement, and would shoot at either of them indiscriminately if they continued their flights. Whether the French Admiral did or did not give any such notification is doubtful, for the plain fact is that Japanese planes, in profusion, and Chinese planes occasionally, are flying over the French Concession regularly and the French forces are not shooting at them. One tale had it that the French battalion in Route Petain was responsible for certain shrapnel shots. Investigation showed that the battalion is not equipped with anti-aircraft guns. A formal denial was made by the French authorities Aug. 23 that French anti-aircraft guns had shot at either Japanese or Chinese planes.

Another tale that gained considerable currency was that a group of retreating Japanese Naval men had come over to the boundary dividing Hongkew from the area held by the foreign forces (other than Japanese) and had begged to be allowed to cross, that they were willing to give up their rifles, and that they had nothing to eat for days. These deserters were supposed to have been given quarters at the British barracks. Investigation showed that there was no truth in the story.

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CUSTOMS NOTIFICATION NO. 1598.

In accordance with Government instructions, the public is hereby notified that the Custom House will be closed, and the shipment and delivery of cargo suspended, on Friday, the 27th August 1937, the birthday of Confucius.

L. H. LAWFORD,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 20th August 1937.

CUSTOMS NOTIFICATION NO. 1599.

The public is hereby notified that, in accordance with Government instructions, the exportation abroad and to Manchuria and Dairen of resin is temporarily prohibited.

CHU CHANG-NIEN,
Superintendent of Customs.
L. H. LAWFORD,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 20th August 1937.

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Amoy Departure		Manila Departure	
Wed.	1st Sept. 4 p.m.	Mon.	6 Sept. 11 a.m.
Sat.	11 Sept. 4. p.m.	Thurs.	16 Sept. 11 a.m.
Tues.	21 Sept. 4 p.m.	Mon.	27 Sept. 11 a.m.
Sat.	2 Oct. 4 p.m.	Thurs.	7 Oct. 11 a.m.
Tues.	12 Oct. 4 p.m.	Mon.	18 Oct. 11 a.m.
Sat.	23 Oct. 4 p.m.	Thurs.	28 Oct. 11 a.m.

Manila Arrival		Amoy Arrival	
Sat.	4 Sept.	Wed.	8 Sept.
Tues.	14 Sept.	Sat.	18 Sept.
Fri.	24 Sept.	Wed.	29 Sept.
Tues.	5 Oct.	Sat.	9 Oct
Fri.	15 Oct.	Wed.	20 Oct.
Tues.	26 Oct.	Sat.	30 Oct.

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